

**APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA**

Date of filing in State Engineer's Office MAR 27 2006

Returned to applicant for correction MAY 02 2006

Corrected application filed _____

Map filed JUN 01 2006

The applicant **Pacific Spar Corporation** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. **incorporated on the 24th day of August, 1978 under the laws of the State of Nevada.**

1. The source of the proposed appropriation is **Underground**
2. The amount of water applied for is **1.0 c.f.s.** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining and Milling uses**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated **N/A**
 - (b) Stockwater, state number and kinds of animals to be watered **N/A**
 - (c) Other use (describe fully under No. 12. "Remarks") **N/A**
 - (d) Power:
 - (1) Horsepower developed **N/A**
 - (2) Point of return of water to stream **N/A**
5. The water is to be diverted from its source at the following point **Lot 3 of Section 3 Township 35 North, Range 40 East, M.D.M. at a point from which the NW corner. of said Section 3 bears N 65°21'00"W a distance of 2276.00 feet**
6. Place of Use within: **Lot 3 of Section 3, Township 35 North, Range 40 East, M.D.B.&M. Lot 4 of Section 3, Township 35 North, Range 40 East, M.D.B.&M. S ½ NW ¼ of Section 3, Township 35 North, Range 40 East, M.D.B.&M. NW ¼ SW ¼ of Section 3, Township 35 North, Range 40 East, M.D.B.&M. Pacific Spar Corp. is the owner of the Mineral Rights and the Right to Entry for the purposes of Mining and removing those resources. The United States Government is the title Owner of surface estate**
7. Use will begin about **January 1st** and end about **December 31st** of each year.
8. Description of proposed works **Drilled and cased well equipped with pump and motor and piped to main point of use**
9. Estimated cost of works **\$50,000**
10. Estimated time required to construct works **5 years**

11. Estimated time required to complete the application of water to beneficial use 5 years

12. Remarks: **Pacific Spar Corp. is the owner of the Mineral Rights and the Right to Entry for the purposes of Mining and removing those resources. The United States Government is the title Owner of the surface estate. See document attached.**

By Steven N. Bell, S.W.R.S. 1137
GA Engineering & Planning
1410 Greg St., Ste. 403
Reno, NV 89505-2302
s/ Steven N. Bell

Compared mt/ag lt/ gkl

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

This permit is issued subject to Order 1170, dated August 7, 2003.

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The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.25 cubic feet per second, but not to exceed 2.02 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

February 9, 2009

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

February 9, 2012

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 9th day of February, A.D. 2007

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A

Certificate No. _____ Issued _____